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Europe – Avian Influenza

On May 8, 2003, a case of avian influenza was suspected in a chicken farm in Schwalmthal/Viersen in the state of Northrhine-Westphalia, Germany. The state is close to the Dutch border. The presence of Highly Pathogenic Avian Influenza was confirmed in Germany on May 13, 2003 by the Federal Research Center for Virus Diseases of Animals, Island of Riems, Germany. This is the first outbreak of Avian influenza in Germany since 1979.

All 32,000 chickens on the farm were destroyed along with a total of 41,000 chickens from seven neighboring farms in a circle of 3 kilometers (km) around the farm of the suspected outbreak. Additional measures taken include establishment of an observation area 10km around the outbreak farm, suspension of marketing eggs within the zone, no transportation of live chickens or hatching eggs within the whole State of Northrhine-Westphalia, extension of the prohibition of free range rearing in regions bordering the Netherlands and Belgium for an undetermined amount of time, prohibition of chicken manure application and the prohibition of chicken shows and flights of carrier pigeons. These measures have been extended until May 30, 2003. Although, some birds east of the Rhine in North Rhine-Westphalia for immediate slaughter and day-old chicks for breeding can be transported under strict conditions.

Meanwhile, the European Union's (EU) Standing Committee on the Food Chain and Animal Health has also extended the safety measures in the Netherlands until May 30, 2003 to prevent the spread of the disease and eradicate it. The last outbreak on a commercial poultry farm in the Netherlands was April 29, 2003.

In Belgium the restrictive measures will be limited to the northern provinces of Antwerp and Limburg from May 27 onward. The last outbreak in Belgium was reported on April 28 and no new suspicions have been raised since. The poultry holdings in the established buffer zones have been depopulated and restocking will start only after a waiting period. The Committee "concluded that the disease has been successfully eradicated."

The committee said it would review the situation and safety measures in the Netherlands, Belgium and Germany on May 28.

Source: USDA/FAS, European Commission, and various other sources

Japan

Japan has temporarily banned imports of all poultry products from China after its quarantine office detected the bird flu virus H5N1 in imported Chinese duck products. The import ban became effective Monday, May 12, 2003. A similar ban by Japan in 2001 lasted for 2 months and resulted in a tight domestic market, especially on frozen broilers.

Japan's broiler imports in calendar year 2002 totaled 524,000 metric tons (mt). Imports included 183,000 mt from Thailand, 168,000 mt from Brazil, 119,000 mt from China and the remainder mostly from the United States.

Source: ProMED-mail, Influenza H5N1, Avian – China: suspected, ProMed-mail 2003; 12 May:2003 and various other sources

BSE Found In Canada

The Canadian Food Inspection Agency (CFIA) has diagnosed an 8 year old beef cow that was slaughtered on January 31, 2003 in Alberta, Canada with bovine spongiform encephalopathy (BSE), mad cow disease. The case was detected when Alberta Agriculture officials tested a cow that had been condemned at slaughter because of suspected pneumonia. No meat from the cow entered the food chain. The specimens were sent to the World Reference Laboratory at Weybridge, United Kingdom, which verified the presence of BSE. USDA has sent a technical team to Canada to assist in the investigation.

The CFIA and the Province of Alberta are investigating the animal's origin, how it was processed, and a thorough scrutiny of records at the farm level, abattoir, rendering plant and feed mills. The affected herd will be depopulated once the necessary samples are obtained for the purposes of the ongoing investigation. Any additional herds that are found to be at risk as a result of the investigation will also be depopulated. As of May 23rd, 2003 there are thirteen farms under quarantine in Canada. They are investigating whether the cow may have originated from one of two farms in Saskatchewan, Canada, however the birth place has not been confirmed.

Both Canada and the United States outlawed the feeding of mammalian and bone meat to cattle, sheep and goats in 1977. Canada and the U.S. both have BSE surveillance programs in place. The incubation period for BSE is 8 years, so the new case could have been infected before the ban entered into force. The only previously known case in Canada occurred in 1993 which involved an animal imported from Great Britain.

Markets around the world immediately responded to the BSE case in Canada by closing markets to cattle and beef imports, the third largest meat exporter in the world. Stock markets in the U.S. penalized shares of Tyson Foods, and fast food giants Wendy's International and McDonald's 4-5% and live cattle futures on the Chicago Mercantile Exchange dropped \$1.30-1.50 to their maximum drop limits in response to the BSE announcement. As the week progressed the companies and the futures reclaimed most of their lost values. Canada is estimated to have accounted for nearly 10% of global beef exports in 2002 (after Australia and the U.S.). Canada exports nearly 45% of its total beef production. Approximately 1.3 million head of cattle are exported to the U.S. each year, and nearly 9% of U.S. domestic supplies originate from Canada. Alberta accounts for nearly 60% of Canada's beef production.

Some analysts in the U.S. think beef demand will only be slightly affected and the import bans short in duration, unless other cases are found. Other analysts in the U.S. are taking a wait and see position with some anticipating pork and poultry as possible beneficiaries. Some increased pressure was being noted in the U.S. to more quickly implement country of origin food labels, implement a ban on spinal meat columns in certain meat processing systems, a ban on chicken bedding in cattle feed and special labels on pet food warning that it should not be fed to cattle.

Sources: Government of Canada/Government of Alberta, FAO, USDA, and various other sources

Inspected Egg Products-U.S. & Canada Export/Import Trade**U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending May 17, 2003	2003	2002/1	2003	2002
Liquid	512	349	5,215	7,475
Frozen	0	0	63	0
Dried	0	41	176	179
Total	512	390	5,454	7,654

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Week Ending May 17, 2003	2003	2002/1	2003	2002
Liquid	66	81	2,183	2,634
Frozen	53	55	1,482	1,479
Dried	40	40	480	2,012
Total	159	176	4,145	6,125

Inspected Shell Eggs**U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending May 17, 2003	2003	2002 /1	2003	2002
Jumbo	0	17	166	1,084
Extra Large	810	1,585	5,110	6,112
Large	2,783	5,057	23,751	42,669
Medium	890	1,140	24,978	19,918
Ungraded	2,340	11,760	20,046	103,715
Misc	0	0	3,072	12,094
Total	6,823	19,559	77,123	185,592

/1 Comparable Week, to-date figures may not total due to rounding.

Source: USDA/AMS Poultry Programs, Market News Branch in cooperation with Agriculture Canada, Poultry Development Division.

LIVE POULTRY SLTRD UNDER INSPECTION W/E 17-May-03

(PRELIMINARY)

U.S. FOWL SLAUGHTERED DOMESTICALLY

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,493	1,313	2,806
LAST WEEK	1,586	1,364	2,950
SAME WEEK YR AGO	1,846	1,280	3,126
TO-DATE/2003	33,695	26,373	60,068
TO-DATE/2002	36,887	26,236	63,123

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	211	0	211
LAST WEEK	98	0	98
SAME WEEK YR AGO	332	4	336
TO-DATE/2003	5,417	68	5,485
TO-DATE/2002	6,557	28	6,585

SOURCE: AGRICULTURE CANADA, PLTRY DEVELOPMENT DIV.

TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
HEAD	1,704	1,313	3,017
LAST WEEK	1,684	1,364	3,048
SAME WEEK YR AGO	2,178	1,284	3,462
TO-DATE/2003	39,112	26,441	65,553
TO-DATE/2002	43,444	26,264	69,708

SOURCE: USDA/AMS PLTRY PROGRAMS, MARKET NEWS BR.

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

	23-MAY-2003			
CHICKEN	PRICES VOLUME			
	(Cents per Pound)			

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

	PRICES VOLUME			
	(Cents per Pound)			

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	14.00	16.00-17.00	162,400	-
WTD AVERAGE	14.00	16.67		
15-20%				
RANGE	13.50-15.00	10.75-17.00	1,400,400	488,000
WTD AVERAGE	14.50	12.79		
20% OR MORE				
RANGE	-	11.00	20,400	-
WTD AVERAGE		11.00		

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

EASTERN REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

	23-MAY-2003			
CHICKEN	PRICES VOLUME			
	(Cents per Pound)			

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

	PRICES VOLUME			
	(Cents per Pound)			

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	15.75-18.50	15.75	720,000	520,000
WTD AVERAGE	17.11	15.75		
15-20%				
RANGE	14.50-17.00	11.00-16.50	1,838,000	468,000
WTD AVERAGE	16.10	13.18		
20% OR MORE				
RANGE	-	11.00	82,000	-
WTD AVERAGE		11.00		

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 23 MAY 2003.

The undertone on fresh tom breast meat was steady to instances weak, frozen was unsettled with some willing to negotiate to move excess inventories, yet others report spot trades that indicate strength. Buyer demand was unaggressive for the mostly readily available supplies. The de-trapped tenderloin undertone was steady at best. Demand was light for the at least adequate offerings. Thigh meat demand ranged slow to moderate with the best interest noted into export channels. Export interest was noted from Mexico, the Middle East and Russia. Thigh meat offerings were uneven with some held with more confidence than others. Some industry members have noted the planned ocean freight increases for late June and were marketing product accordingly. For domestic: fresh breast trim 66, Grade A non-basted 12-16 lb. breasts 87, plant grade basted 18-20 lb. breasts 90 cents delivered. For export: hen drums 15, livers 15-16 mostly 16, hearts 19, punched drums 32, fresh tom drums 17, fresh thigh meat 49, frozen tom breast meat 112-115 mostly 115 cents delivered.

FRIDAY, MAY 23, 2003**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	19.00-20.00		19.64	110	19.98	838
WINGS FULL-CUT - TOMS		R	12.73	55	12.10	419
WINGS, V-TYPE, TOM	20.00		20.00	156	20.00	156
TAILS						
MECHANICALLY SEPARATED 4/	17.00		17.00	80	17.60	200
THIGH MEAT - FROZEN	49.00-66.00		57.35	344	48.36	1,480

THURSDAY, MAY 22, 2003**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	19.00-20.00		19.90	408
WINGS FULL-CUT - TOMS	12.00-13.00		12.73	55
WINGS, V-TYPE, TOM		F	20.50	208
TAILS				
MECHANICALLY SEPARATED 2/		W	18.00	120
THIGH MEAT - FROZEN	44.00-52.50		47.70	92

WEDNESDAY, MAY 21, 2003**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	19.50-22.00		20.30	200
WINGS FULL-CUT - TOMS	12.00		12.00	364
WINGS, V-TYPE, TOM		F	20.50	208
TAILS				
MECHANICALLY SEPARATED 2/	18.00	18.00	120	
THIGH MEAT - FROZEN		M	45.46	1,044

TUESDAY, MAY 20, 2003**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	20.00		20.00	120
WINGS FULL-CUT - TOMS		W	12.00	258
WINGS, V-TYPE, TOM		F	20.50	208
TAILS				
MECHANICALLY SEPARATED 2/		F	17.00	10
THIGH MEAT - FROZEN		M	45.46	1,044

MONDAY, MAY 19, 2003**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	19.00	80
WINGS FULL-CUT - TOMS		W	12.00	258
WINGS, V-TYPE, TOM		F	20.50	208
TAILS				
MECHANICALLY SEPARATED 2/		F	17.00	10
THIGH MEAT - FROZEN	45.00-48.00		45.46	1,044

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.

210 WALNUT STREET, ROOM 951, DES MOINES, IOWA, 50309 515/284-4471 FAX 515/284-4468

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